MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): Sir, I rise to present the Budget Estimates for 1108. Before proceeding to review the financial position for the current and ensuing years, I shall, as usual, explain briefly the results of the last financial year.

ACTUALS OF 1106.

2. The final audited figures of ordinary revenue and expenditure charged to revenue for the year 1106 stood at Rs. 227·18 lakhs and Rs. 239·41 lakhs, respectively, against the revised estimates of Rs. 233·18 lakhs and Rs. 240·65 lakhs. The year thus closed with a revenue deficit of Rs. 12·23 lakhs as against a deficit of Rs. 7·47 lakhs anticipated in the revised estimates. The increase of Rs. 4·76 lakhs in deficit was due to the fall in revenue to the extent of Rs. 6 lakhs and to a less expenditure of Rs. 1·24 lakhs, as compared with the revised estimates. The decrease in revenue was mostly under Excise (1·89), Customs (·82), Forest (1·00), Stamps (1·22) and Registration (·57) brought about mainly by the economic depression. The fall in Customs revenue was also due to the reduction, from the 5th Karkatakam 1106, of the tariff values, for purposes of levy of export duty, on our more important articles of export. On the expenditure side, the net variation was a decrease of about Rs. 1¼ lakhs in an expenditure of Rs. 239·41 lakhs. The receipts from the sale proceeds of the Government lands and the capital expenditure not charged to revenue amounted to Rs. 2·58 lakhs and Rs. 14·43 lakhs, respectively, as against the revised estimates of Rs. 3·25 lakhs and Rs. 16·60 lakhs. The Government closing balance which was expected to stand at Rs. 144·75 lakhs, was thus reduced to Rs. 141·49 lakhs at the close of the year.

REVISED ESTIMATES FOR 1107.

3. While framing the budget in Mithunam 1106, we expected to realise a total revenue of Rs. 232·19 lakhs and programmed for an expenditure of Rs. 231·65 lakhs, leaving a nominal surplus of Rs. 0·54 of a lakh. But in view of the heavy fall in revenue realisations of 1106, the actuals of which were known only in the early part of the current year, the original estimates under all the revenue and service heads were scrutinised early this year and reductions to the extent of Rs. 6·43 lakhs were effected under travelling allowances, works and contingencies. It was however felt that the reduction thus effected was not sufficient, and that it was essential that the expenditure should be kept within limits, to the extent possible. A committee of officials and non-officials was therefore appointed to investigate the means of retrenchment, both permanent and temporary, in the expenditure of the State, and after an examination of all possible economics, with a view to stabilising the financial position, to make specific recommendations for reducing expenditure, with due regard to the needs of efficient administration. The committee commenced sittings on the 9th Tulam 1107 and their final report is expected shortly. But, as soon as they completed their discussions on any particular department or on any general question affecting

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